

# INDUSTRY UPDATE

Biweekly Period Ending August 12, 2000

## Phoenix Metro Area

### **Manufacturing**

As part of a planned expansion, Phoenix-based **Gum Tech International** plans to **add more research scientists**, due to the success of a nasal gel cold-remedy product. Gum Tech, whose primary products up until now have been chewing gums that help people quit smoking, may also change its name to reflect its new business.

### **Mining**

**ASARCO Inc.** will **move its corporate headquarters** from New York City **to Phoenix, affecting about 75 employees**, by the end of the year. Many of the current employees in New York will be offered positions in Tucson, as well as Phoenix. ASARCO, which is owned by Grupo Mexico S.A. de C.V. of Mexico City, employs about 2,500 people statewide, primarily at mines in Morenci and Green Valley. About six months ago, ASARCO had 220 employees in New York City, before moving some to offices in Tucson and Mexico City.

### **Transportation, Communications, and Public Utilities**

**Qwest Communications International Inc.**, which recently merged with USWest Communications, announced that **5 percent of its workforce will be eliminated** by the end of the year. Between 2,000 and 4,000 employees are expected to be let go, with the primary **emphasis on administrative workers**. Most of the cuts are likely to come at the Denver corporate headquarters of both companies.

### **Construction**

About \$30 million will be invested in **two office and retail projects** planned for north

Scottsdale. Wall St. West Development Co. is building **identical 47,000-square-foot buildings** at the 260-acre **Perimeter Center** business park at Bell and Pima roads. The first building, One Princess Drive, will feature only office space, while the second building, Two Princess Drive, will also have restaurant and retail space. Both will be completed by spring. A few miles to the north, at Scottsdale and Grayhawk roads, developer Jim Pederson is planning a \$14 million **retail center** that will be **anchored by Bashas' and Walgreens** stores. Completion of the neighborhood center is expected in fall 2001.

### **Trade**

The name of the game for successful national retailers these days is expand, expand, expand. A number of chains across a broad spectrum of industries have announced plans to do just that in the Phoenix metro area.

**Lowe's Home Improvement Warehouse** will give Home Depot and other home-improvement stores stiff competition in the Valley by **opening 20 stores and employing 4,000** within the next four years. The North Carolina-based chain opened two locations in April (Chandler, Scottsdale) and has four sites in the east Valley currently under construction. Atlanta-based **Home Depot** will **open two more Valley locations** within the next six to eight months, giving it a total of 18 stores in the metro area. ... If your pleasure is eating, then your appetite may be quelled by two food chains that will be emerging on the Valley scene. Irvine, Calif.-based **In-N-Out Burger** plans to **open eight to 10 fast-food eateries** in the Phoenix area, starting with its first location in north Scottsdale this November. Or if Chinese take-out is your forte, the first **Pei Wei's Asian Diner** opened recently

in Chandler, with another to follow at 45<sup>th</sup> Street and Thomas in Phoenix next spring. A subsidiary of Scottsdale-based P.F. Chang's China Bistro, Pei Wei's is expected to be taken nationally shortly thereafter. ...How is your vision these days? Chandler-based **Nationwide Vision** will **add four more optical-care stores** to its current 25 in the Valley in the near future and will have 36 in Arizona by the end of the year. Nine shops are currently being built or planned in Tucson.

**Two new retail projects** are under development **in central Phoenix**. Work has begun on a 40,000-square-foot strip center at 7<sup>th</sup> Street and Glendale Avenue that will feature retail shops, restaurants, and other services. The project, called **Madison Village Marketplace Shops**, is expected to be completed by next March. The other shopping project, which will be **anchored by a Costco**, will **add 149,000 square feet** of space to **Chris-Town Mall**, 17<sup>th</sup> Avenue and Bethany Home Road. Opening of the retail space is set for late November.

### **Services**

The **sale** of Scottsdale-based **PCS Health Systems** to Advance Paradigm Inc. is **not expected to jeopardize** the jobs of **2,200 PCS employees** in the east Valley city. Rite Aid Corp. sold the nation's largest pharmacy-benefits management company to Irving, Texas-based Advance Paradigm for \$1.3 billion. This is the third time PCS, which manages 300 million prescriptions annually, has been sold in the past four years.

### **Finance, Insurance, and Real Estate**

Between **450 and 500 administrative and clerical workers** will be **located** in an upscale **office building near the Fiesta Mall** when completed in November. The two-story, 106,000-square-foot **Mesa Corporate Center**, near Alma School Road and Southern Avenue, will house offices for Allstate Insurance, Morgan Stanley Dean Witter & Co, and Johnson Bank. Developer Opus West has leased about half of the building.

---

### **Tucson Metro Area**

#### ***Transportation, Communications, and Public Utilities***

Denver-based **WideOpenWest LLC** has **signed a 15-year franchise** agreement **with the city of Tucson** to provide fiber-optic cable TV, Internet, and telephone services for the city's residents. WideOpenWest plans to spend \$150 million over the next five years to build the high-speed network, as well as **eventually employ up to 150 people** in the Tucson area. The nine-month-old company is also attempting to provide similar services to several Phoenix-area cities.

---

### **Balance of State**

#### ***Manufacturing***

A **Payson-based company** that makes old-fashioned lollipops is seeking a new 30,000-40,000-square-foot facility to expand its operations. Seventeen-year-old **Gollipops** currently employs about 20 people, but says the added space will **allow** it to **add another 25 to 30 production employees**. The new facility, which could be relocated outside of Payson, needs to be up and running within three to six months, the company says.

---

## **INDUSTRY UPDATE**

*Industry Update* is produced biweekly as a stand-alone publication and quarterly as part of *Arizona Economic Trends* by the Arizona Department of Economic Security, Research Administration. *Industry Update* is a compilation of public announcements and articles from newspapers and periodicals about business events significant to Arizona labor markets. Due to space limitations, however, an exhaustive list of industry news is not feasible. In addition, DES, Research Administration is not responsible for incorrect information reported by these sources. For more information, contact DES, Research Administration by writing to 1789 W. Jefferson St., Site Code 733A, Phoenix, AZ 85007, or calling (602) 542-3871.

---